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COMMONWEALTH OF VIRGINIA
DEPARTMENT OF AVIATION
5702 Gulfstream Road
Richmond, Virginia 23250-2400

VIRGINIA AVIATION BOARD MEETING

WYNDHAM HOTEL AND RESORT
5700 Atlantic Avenue
Virginia Beach, Virginia

1:30 P.M.

August 22, 2007

CRANE-SNEAD & ASSOCIATES, INC.
4914 Fitzhugh Avenue - Suite 203
Richmond, Virginia 2323
Tel. No. (804) 355-4335

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1
2 VAB Attendees on August 22, 2007
3 MR. ROGER L. OBERNDORF, Chairman
4 MS. MARIANNE RADCLIFF, Vice Chairman
5 MR. RANDALL P. BURDETTE, Director
6 Department of Aviation
7 MR. TERRY J. PAGE, Manager FAA, WADO
8 MR. BOB DIX, REGION 1
9 MR. RICHARD C. FRANKLIN, JR, Region 6
10 MR. WILLIAM J. KEHOE, Region 5
11 MR. JOHN J. BEALL, JR.
12 Senior Assistant Attorney General
13 DOAV Staff, Federal Government Reporesentatives, Airport
14 Managers and Sponsors, Consultants, Engineers, State
15 Government Representatives, Business Owners, and City
16 and County Representatives
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1 MR. OBERNDORF: I call the Virginia Aviation
2 Board to order. And I welcome everybody. This is
3 fortunately time we get to spend most of our money, and
4 hopefully make our wonderful system of airports even
5 better than it is already.

6 And starting off will be Mike Swain.

7 MR. SWAIN: Thank you, Mr. Chairman. Members of
8 the Board, Mr. Director, Ladies and Gentlemen,
9 Mr. Beall. Good afternoon.

10 I would like to start with Page 4 in
11 the Board Package. Keeping in mind that, this being a
12 work shop we are not requesting the Board to take any
13 action today; simply going to review the numbers
14 starting with the Entitlement Utilization Report and
15 then the Entitlement description, the amount, and let
16 you know what our recommendations will be come Friday.

17 On Page 4 is a listing of our
18 recommendations of the State Timer Funding Utilization
19 Report of the eight air carrier commercial service
20 airports that receive entitlement GA.

21 You will see that we are recommending
22 approval of the Charlottesville-Albemarle Report, The
23 Lynchburg Report, the Norfolk International Report, the
24 Shenandoah Valley Report, and the Washington Dulles
25 International Report. The other three reports have not

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1 been received. We are still waiting for those. Those
2 three airports are not asking for discretionary funds,
3 so there is no, their damage, or their reports not being
4 available for the Board to review.

5 The next dozen or so pages are copies
6 of those Entitlement Utilization Reports showing how the
7 airport spent their entitlement funds the previous
8 fiscal year. They have been reviewed. They are all in
9 line. As the staff views the eligibility and the
10 percentage of funding amount. We normally do not review
11 those unless you have specific questions on them.

12 Moving on to Page 12, I would like to
13 add we do have summary sheets on the back table and the
14 side table over there, if anybody in the audience wants
15 to follow. There is a summary showing air carrier GA
16 projects that are not the main summary showing all the
17 projects, description and everything, but you can follow
18 along with the funding.

19 Also, before I get, move any further,
20 you should have blue sheets in front of everybody's
21 packet. These are changes that I believe Clifford has
22 e-mailed to the Board members. If you have already
23 printed and substituted the sheets that Cliff e-mailed
24 in that file, you do not need to change the amounts in
25 the blue sheets, they are the same pages. But if you do

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1 not, those that Cliff filed, those blue sheets need to
2 be substituted. On the left-hand side you see page
3 numbers. Not to the bottom right on some of them where
4 it says Page 5 of 12, or whatever, but the numbers on
5 the left, they substitute the identical page numbers.
6 These will be, you will need those in order to follow
7 along.

8 Page 12 is not substituted, so this
9 shows the Commonwealth Airport Fund. The new funds
10 available for fiscal year 2008, the numbers we are
11 mainly concerned with are at the bottom. Entitlement
12 Funds, based on the VDOT estimates for the fiscal year,
13 Commonwealth Airport Fund are the Department's share of
14 the Transportation Trust Fund. So the Pilot Funds
15 available are estimated revenue of \$12,104,079.78. Air
16 Care Reliever Discretionary Funds \$6,340,113.46. And GA
17 Discretionary Funds of \$3,190,900.05. These are the new
18 funds available. I should make the note, if look at the
19 second line from the bottom, we have carried forward
20 some available funds from the previous fiscal year. For
21 the Air Care Reliever Discretionary about 312,000
22 figure, then the GA is the \$33,000 figure. But those
23 are funds we had available as of July 1.

24 Page 13. You will see a break out of
25 how the Entitlement Funds are being disbursed this year

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1 for the commercial service airports. Washington Dulles,
2 Norfolk International, Richmond International, Newport
3 News, and Roanoke are maxed out at \$2,000,000
4 Entitlement Funds. Charlottesville will be receiving
5 \$1,541,431.17. Lynchburg Regional \$512,648.61.
6 Shenandoah Valley is at the minimum amount of \$60,000.
7 That's based on the formula that is used comparing plane
8 passengers, private airports.

9 On Page 14 we finalize the numbers
10 here. Based on any objections that were made during the
11 month of July, which included projects that were closed
12 out, that had balances, funds left over. Most of these
13 increased a little bit. The final figure that the Board
14 has available to allocate on Friday are the Air Care
15 Relief Discretionary, \$6,471,780.34. And GA
16 Discretionary \$3,206,334.04.

17 The next few pages are the summaries,
18 which the audience has available. It simply shows, in
19 brief, the staff's recommendations based on Page 15,
20 showing the one airport that is looking at using
21 Entitlement Funds. The next few pages showing Air Care
22 Reliever Discretionary funds. Recommended/not
23 recommended. And then the GA Discretionary Funds.
24 Funded.

25 I would like to make a note on Page 20,

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1 due to lack of sufficient GA funds, we are going to have
2 (counting) eight projects that the staff would recommend
3 funding for; however, they have fallen out due to
4 priority in mind, and would be unable to recommend
5 funding due to the lack of funds. They are under the
6 HUD funding column.

7 Then on Page 21 shows you the projects
8 under GA that are not recommended. We will discuss all
9 of these in sequence, based on the region.

10 Mr. Chairman, according to -- And,
11 also, for your reading pleasure, starting with Page 22,
12 are five spread sheets showing the Special Fund Program,
13 which we also do not normally review. The Commonwealth
14 Airport Fund, then the Special Fund Program, F & E
15 Maintenance, the GA Security, and then the Air Service
16 Development Motion. Those spread sheets are in there
17 just to show you allocations to date, where those monies
18 are going.

19 Mr. Chairman, according to the
20 schedules, we planned on starting with Region 7 today,
21 followed by 6, 4 and 5. Do we want to still start with
22 Region 7?

23 MR. OBERNDORF: Let's rearrange it. Dr. Wagner
24 is not here. Let set it at the end.

25 MR. SWAIN: If you will turn to Region 6 in your

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1 book. And we normally do not discuss those summary
2 sheets. We start with the first airport project which
3 is Page 147. Chesterfield County Airport. And the
4 first project request for Chesterfield County is Auto
5 Parking for Clear Span Hangars Design in the amount of
6 \$98,856.80. The staff is recommending funding of this
7 project. That's the only project request for
8 Chesterfield.

9 Next is Dinwiddie County Airport. Is
10 everybody okay with the substitute pages? Do we want
11 to, can we keep going? Has everybody caught up with
12 those? Dinwiddie County Airport, single request for
13 Airport Layout Plan Update, in the amount of \$3,157.00.
14 The Staff recommends funding this project.

15 Next we have request from
16 Emporia-Greenville Regional.

17 BOARD MEMBER: And that is a substitute page.
18 Right?

19 MR. SWAIN: Yes, sir. That should be a blue
20 sheet or unless you have printed off your own via
21 e-mail.

22 The first request is for Airport
23 Drainage System Rehabilitation Design, Amount of
24 \$37,600. Second we have Spill Prevention Control and
25 Countermeasures, Plan Update, \$3,036.86. On the Airport

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1 Drainage System Rehab Project, the staff recommends
2 funding this project. On the SPCC Update, the staff
3 recommends not funding this project due to insufficient
4 Commonwealth Airport Fund based on priority system.

5 Next is Farmville Regional Airport.
6 Two projects. First is an Apron Extension that should
7 read. It's an original, early phase of the Apron
8 Extension Project requires to relocate the AWOS,
9 Rotating Beacon and and Electrical Vault. Request is
10 for \$13,500. Another phase is Apron Expansion, relocate
11 maintenance equipment storage building. Requesting
12 \$11,948. On the Apron, Relocate AWOS, Rotating Beacon
13 and Electrical Vault the staff recommends not funding
14 this project as the airport has unmitigated FAR Part 77
15 obstructions. And for the Apron Relocation of the
16 Maintenance Equipment Storage Building the staff
17 recommends not funding due to the obstruction.

18 Next we have Marks Municipal. The blue
19 sheet. Three projects requested. Funding for Land
20 Acquisition, the Marks' property. Multi-year request.
21 Which is 50 percent of the funds they need. Requesting
22 \$204,237.20. Next is the the Stormwater Pollution
23 Prevention Plan and Spill Prevention Control and
24 Countermeasures Plan, in the amount of \$7,875.40. And
25 third is after Land Acquisition, U. S. Army Corps of

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1 Engineers Appraisals, cost of \$6,388. The Land
2 Acquisition for the Marks' property, the staff
3 recommends not funding this project due to insufficient
4 Commonwealth Airport Funds based on priority. Total
5 project cost is \$510,593, and the sponsor is requesting
6 a multi-year funding of 50 percent for each of two
7 years. The Stormwater Pollution Prevention Plan and
8 SPCC, the staff recommends not funding this project due
9 to insufficient CAF funds based on priority. And for
10 the land acquisition Army Corps of Engineers Appraisals,
11 the staff also recommends not funding the project as
12 copies of required appraisals have not been received.

13 BOARD MEMBER: Have not been received.

14 MR. SWAIN: Have not been received by the
15 Department. We have not received it. I have not been
16 informed otherwise.

17 MR. FRANKLIN: Mr. Chairman, regarding the Marks
18 Municipal Airport, they are in the position of a lot of
19 our smaller airports, they find themselves in. They are
20 trying to pull themselves up with their boot straps
21 mostly, and the first thing they desperately need is to
22 acquire this property. Of course the problem is just
23 the lack of funding based on priority, and the 3.2
24 million dollar GA Funding amount, this would take up
25 half a million or six of that over two years. We have

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1 learned that there's a possibility that they may be able
2 to stretch that, I just learned that this week, over
3 three years, and maybe as we look at it in the future
4 there may be a better situation for funding. I don't
5 know if they can come up with a different number or not.

6 But, Mr. Chairman, we have Mr. Michael
7 Denton and members of the uniformed Clarksville Airport
8 here, and I think Mr. Denton may want to address the
9 Board.

10 MR. DENTON: Mr. Chairman. I think so.

11 MR. FRANKLIN: Do you want to do it now rather
12 than later?

13 MR. DENTON: We can do it either way. Do it
14 now.

15 MR. FRANKLIN: Can we do it now and get it out
16 of the way?

17 MR. DENTON: Mr. Chairman, thank you very much.
18 The shoes should give you a hint.

19 Ladies and gentlemen, thank you for
20 having us here. And it is a real honor to be here at
21 this point.

22 We realize that we may have a better
23 opportunity working with the Department if we spread
24 this out over a three year period of time, it may be
25 easier for you all; we are certainly flexible. I feel

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1 bad that perhaps there was a little lack of
2 communication on our part in communicating with the
3 Department that that was an option; maybe not a
4 preferred option, but it is an option.

5 And also, if I may take the opportunity
6 to say, that there's an even greater option, and that
7 is, well, I guess according to Governor Baliles,
8 evidently commitment is everything. If we could leave
9 from this session with some form of commitment of
10 intent, that we can go back to our community, back to
11 our Board of Supervisors, back to our Town Council, and
12 say this is where we are going with the Department, and
13 this is what our plan is going to be, and the Department
14 is, in fact, on board. It would help us in presenting
15 to our communities some alternate plans for funding,
16 some interim financing, whatever we need to do, we would
17 certainly appreciate that.

18 As far as the Army Corps goes, they are
19 working feverishly to get us the appraisal. It's a
20 fairly large project for them, evidently, and they don't
21 do this very often, evidently. Especially, with
22 airports. They are working hard to get that together.
23 We are breaking new grounds with the Army Corps in doing
24 this, and as far as the spill prevention, don't worry,
25 we have a wetlands area right next door that can catch

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1 all the fuel and we will just light it off. (Laughter)

2 That will be fine.

3 Are there any questions that I might be
4 able to answer for you?

5 BOARD MEMBER: I wanted to ask Mr. Burnett, if
6 he would. I mentioned this to him. What are our
7 options, if any, with regard to this locality according
8 to the policy, the Department policy?

9 MR. BURNETT: Well, first and foremost, the
10 project, it's a needed project, unfortunately we just
11 ran out of money. They certainly have the option of
12 going and borrowing the money from PRA and then it's an
13 eligible project that we could fund after the fact.
14 It's one of the few projects that is permissible.

15 BOARD MEMBER: Because, because it is that kind
16 of project.

17 MR. BURNETT: Because it's property.

18 MALE: It's reimbursible after the fact.

19 MR. BURNETT: Property.

20 MALE: Property acquisition. Is that correct?

21 MR. BURNETT: Right.

22 MR. SWAIN: And that is not a change of current
23 policy.

24 MR. BURNETT: That is not a change of current
25 policy, or we wouldn't pay any interest.

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1 MR. FRANKLIN: We couldn't pay for any interest
2 on the loan, but we could reimburse them if the money
3 comes available. Of course we can't guarantee it. Is
4 that what you are telling me?

5 MR. BURNETT: Yes, sir. There is no guaranty,
6 they would have to compete against the other airports if
7 they do this.

8 MR. FRANKLIN: If they borrow the money and the
9 terms are more reasonable over a three year period of
10 term is it encumbent upon the Department, would that
11 give that project any higher score?

12 MR. BURNETT: Well, it's still treated as a
13 phased project. As a matter of fact --

14 MR. SWAIN: We phase it over three years.

15 MR. BURNETT: -- we phase over three. That's
16 beginning like a multi-year project. The Board would
17 have to approve it, and we need all the -- We would have
18 to go through and this set up. Of course, the initial
19 project would still have to compete.

20 MR. FRANKLIN: Even if they borrowed the money,
21 we couldn't guarantee the money.

22 MR. BURNETT: No. No guarantees.

23 MR. FRANKLIN: It would be based on best
24 estimate kind of thing.

25 MR. BURNETT: They could borrow the money, buy

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1 the property, and it could be several years before the
2 project rose high enough that it could compete. It's
3 all a matter of availability of the funds.

4 MR. OMPS: This project, if it had been a
5 smaller number, may have competed well, since you are
6 looking at no money. Right?

7 MR. BURNETT: Exactly. As the Board knows, the
8 way the priority model works, we score every project,
9 and the model searches for the highest score, with
10 available amount of budget there, it funds the first one
11 it gets to. And if it comes to say in this case a score
12 of 130, and we only have 150,000 left, and this was a
13 200,000 project, it will skip that project and go to the
14 next available fund that it can accept. That has
15 happened in six or seven other projects that were
16 unfunded. The same thing, because of the dollar amount.

17 MR. FRANKLIN: Ms. Radcliff just reminded me
18 that is our purpose for being here. We are not a
19 computer --

20 MR. BURNETT: Oh, that, certainly, but I was
21 just explaining it to you.

22 MR. FRANKLIN: Your process.

23 MR. BURNETT: Our process, Yes.

24 MR. FRANKLIN: But the Board could look at it
25 and assign a higher priority to it if we felt like this

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1 was a project that deserved that; within the Board's
2 prerogative it could do that.

3 MR. BURNETT: Without a doubt.

4 MR. FRANKLIN: You just go with what you think
5 is the priority.

6 MR. BURNETT: You can fund anything you want.
7 And I do want to remind the Board I think this was kind
8 of a full disclosure and we have layed it all out here.
9 The previous Board, back in the late '90s actually TA'd
10 this project to the sum of \$500,000.

11 MR. FRANKLIN: It just wasn't done.

12 MR. BURNETT: And they didn't act on it.

13 MR. FRANKLIN: Couldn't be done.

14 MR. BURNETT: For whatever reason.

15 MR. DENTON: For whatever reason. And I think
16 there was certainly no where near the amount of
17 organization that we have now, and certainly no where
18 near the amount of wishing to comply with structure
19 removal identification, working with the engineers. I
20 think it's a completely different program today than
21 what would have happened -- In fact, my records go back
22 fourteen years this has been going on, and trying to
23 move forward. So, it has been a long haul.

24 MR. FRANKLIN: You have the support of the
25 community for this project.

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1 MR. DENTON: Yes. Both towns. Remember we
2 represent the town of Clarksville and the town of
3 Boydton, and also the County of Mecklenburg. So I have
4 had good discussions with the Board of Supervisors just
5 before I came here. And yes, sir.

6 MR. FRANKLIN: If I understand correctly, the
7 reason this project did make it is basically we have a
8 million dollars worth of projects out of our, over and
9 above our 3.2 million that we have available that we
10 couldn't fund, even though they were good projects. Is
11 that right?

12 MR. SWAIN: We have about \$900,000.

13 MR. BURNETT: \$900,000. Close to a million
14 dollars worth of projects like this.

15 MR. SWAIN: We couldn't get, either they weren't
16 ready or we couldn't get the -- So there is quite a bit
17 of demand for the GA money.

18 MS. RADCLIFF: What is the, do you recall, in
19 general, what the number was when the priority number.

20 MR. SWAIN: I think it was 130.

21 MS. RADCLIFF: I know this was 130 but I mean
22 where the cut off was, what made the due process. I
23 know some of the larger ones dropped out.

24 MR. SWAIN: Tie priority numbers -- Well, let me
25 do this. Refer, if you would flip back to Page 19 in

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1 your book. Flip back and get this point across, and
2 understand it myself. On Page 19 that is the GA Airport
3 Discretionary Fund Recommended Projects. Starting with
4 140 at the top, the 90 at the bottom, this project was a
5 130. You will see it was tied with that Lee County
6 project for fueling system. Well, when we got to the
7 130, Mark Smith only needed \$204,000. You take that
8 115,000 and go to the bottom, it's about 180,000. So
9 obviously it skips, when it couldn't find, it didn't
10 have 204,000 balance, it kept on going. We would have
11 needed \$204,000 at that priority of 130 to fund it, and
12 in case there was a tie, FYI the program should split
13 the tie based on the priority of equitable project
14 itself, not the total priority that you see on the left
15 side. If it had been a safety preservation project, it
16 would have funded that before the fueling system.

17 In this case there is insufficient
18 funds. If the request had been for a lesser amount, say
19 150,000, it probably would have funded it because it
20 would have been a higher priority project.

21 The issue we have, we have had people
22 come in before and kind of ask, well, how much should my
23 request be for to get funded? Well, we can't negotiate
24 that, you know, this is a multi-year request. The
25 sponsor came in and asked for 50/50. We are not going

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1 to go back and say, well, if you knock it down to 150
2 you will make the cut. We can't do that. That is not
3 objective. So we take the number from the sponsor, and
4 that's what we put in the program, we score it, and
5 that's it. There is no way to change the score unless
6 the sponsor funds more than 20 percent of the project.
7 We actually had one of those, which will help me later
8 when we get to it, where the sponsor gained 43 percent
9 of the project, and they got an extra 23 points, because
10 they decided, based on whatever reason, they were going
11 go fund more than 80 percent, or 20 percent of the
12 project, make sure that project got funded.

13 MR. OMPS: So this project would have in fact
14 been funded had it been over a three year period. It
15 looks like, according to the numbers --

16 MR. SWAIN: It looks like it. It's kind of
17 crunched them real quick sitting down there.

18 MR. WAGNER: Luck of the draw, I guess.

19 MR. DENTON: May I say something for just a
20 second, please? I would be honored to be able to. One
21 of the interesting things about all of this process, and
22 it is a process for us, is that we never knew that there
23 was this sliding scale taking place, or surely we would
24 have assigned three, four, five, eight years to the
25 project. The problem is, if we are left to make a

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1 decision, I would prefer to have done it in one year.
2 Two, we thought would be sufficient. We had no idea.
3 Well, I cannot tell you how many things I have learned
4 in three years in being in my position, and I am
5 learning more every day. That's item number one.

6 Item number two, it dawned on me that
7 what you are seeing is a series of numbers, and bless
8 your heart, you have to spread that out over so many
9 different airports and other programs and formats it's
10 not funny.

11 I'm not sure you are familiar with our
12 particular situation. Since the 1960s we are a leased
13 airport. Our hands are going to be virtually tied if we
14 do not move soon. The people, the estate that owns this
15 property are in their eighties. They have asked that we
16 please sew this up as soon as we possibly can so that
17 they, the ones who originally initiated the lease, and
18 originally had the vision for the airport can see it go
19 where it needs to go, before we lose it.

20 And that's the one thing we don't want
21 to do is lose this for our community. We need to let
22 this pass through so where we can own the property it's
23 on; not expand it, not turn it into Norfolk
24 International, but at least have the community airport
25 that we need. It was originally founded for economic

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1 development for our community, for Russell Stover and
2 Burlington. They have been very successful for thirty
3 years. We need to make it for the next thirty years.
4 And that's our goal.

5 So we would really appreciate it if you
6 would consider where we need to go were this, and you
7 understand what we are dealing with here. It is not
8 just a little added extra property for some parking, or
9 it's not a little extra property for fuel depot or
10 something like that; this is for our very survival, in
11 our opinion. Thank you.

12 MR. SWAIN: Mr. Chairman, I think, though, you
13 have to appreciate the position of the Department. They
14 can only act on what you submit to us.

15 MR. DENTON: I realize that. Yes, sir.

16 MR. FRANKLIN: So it looks like maybe we need to
17 talk to the Department about what other proposals you
18 think you might come up with, and then maybe they might,
19 they might have a higher priority next time, but then,
20 of course, that depends on what else comes in, or how we
21 look at the amount, but I appreciate your --

22 MR. DENTON: That's a tough one, isn't it. It's
23 like reading a crystal ball.

24 MR. FRANKLIN: It's just a half million dollar
25 debt on paper. Hope in this case. More hope than

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1 faith. But I think we could look at the way it could be
2 done. Of course we will take a hard look at it now, but
3 I think maybe you have an idea of the process how it
4 might be worked out to receive a high enough priority.

5 MR. DENTON: Well, I look forward to your
6 guidance in our district in helping us work this thing
7 through. And I'm sure that your expertise in working
8 with me, I hope, in getting it to our communities, will
9 be helpful, and I look forward to that.

10 MR. FRANKLIN: And I appreciate having you all
11 in uniform, but others don't have on red shoes.

12 (Laughter)

13 MR. DENTON: I'm the leader.

14 MS. RADCLIFF: How much money is invested in the
15 area right now -- It's not much.

16 MR. SWAIN: No. No.

17 MS. RADCLIFF: So that is not really a great
18 solution.

19 MR. FRANKLIN: (Unable to hear)

20 MR. SWAIN: We were on Page 159. And I believe
21 we have given staff's recommendation on all three
22 projects.

23 Next request is from Mecklenburg
24 Brunswick Regional, Page 162. Two requests. First is
25 Parallel Taxiway, Phase 2, which is the paving portion

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1 construction. This is an increase to the construction
2 missed opportunity. Request is for \$2,264.40.

3 And T-hangar Taxiways Design. The
4 amount of the request is \$40,000. On the parallel
5 taxiway Phase 2 construction increase missed
6 opportunity, the staff recommends funding this project.
7 This missed opportunity came about as a result of high
8 bid. The airport had an existing GA, hoping it was
9 going to be sufficient to fund the project. Bids came
10 in a little high. The FAA matching an increase. So they
11 are requesting matching state funds, also.

12 On the T-hangar taxiways design
13 project, the staff recommends not funding this project
14 as required scope of work has not been received.

15 That is all we have in Region 6.

16 We go to Region 4. Page 117. The
17 first request from Hanover County Municipal Airport.
18 Request is for Land Acquisition Services for Runway 34
19 Structural Removal. \$145,895.00. The staff recommends
20 funding this project. This project is part of an
21 overall obstruction removal process, and this
22 allocation, if approved, would be in the form of a
23 bridge loan with FAA reimbursement expected sometime in
24 the future.

25 Next Lake Anna Airport. The request

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1 for Runway Widening and Rehabilitation Design
2 \$54,920.70. On that project the staff recommends not
3 funding this project due to insufficient CAF funds based
4 on priority.

5 Middle Peninsula Regional. Runway 9-27
6 Rehabilitation and Extension Construction increase.
7 \$30,641.45, and also a Wetlands Delineation project,
8 \$20,730.40. On the Runway 9-27 rehab and extension
9 increase project, staff recommends funding this project;
10 and on the wetlands delineation the staff recommends
11 funding that project also.

12 Next we have New Kent County.
13 Requesting funding for Master Plan and Airport Layout
14 Plan Update. \$4,737.00, and the staff recommends
15 funding this project.

16 Next we have Tappahannock-Essex County.
17 Two requests. First is Access Road, Phase 2, Non-AIP
18 Portion Construction Increase. \$142,428.00, and
19 T-hangar Site Preparation, Phase 2, Design/Construction.
20 \$399,496.80. On the access road project the staff
21 recommends funding. On the T-hangar site preparation,
22 phase 2 project, the staff recommendeds not funding this
23 project due to insufficient CAF funds based on priority.

24 MS. RADCLIFF: Mr. Chairman, I thought it was a
25 change right in the second one. Is that correct?

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1 MR. SWAIN: Phase 2.

2 MS. RADCLIFF: Well, what is it supposed to be?

3 It was supposed to be -- (Unable to hear)

4 MR. SWAIN: The airport received an allocation
5 back in the fall for a Phase 1 hangar project, which was
6 planned on being one set of hangars, one building. The
7 site preference funded. In the interim the airport
8 received evidence that they could fill up about twenty
9 some hangars based on deposits and whatnot. And instead
10 of building a second site, they decided to extend the
11 original site. It's a much longer line hangar building.
12 This is asking for site preparation for the rest of that
13 site prep. And they bid the hangar as a single
14 building, actually place 24 units, total. So this is
15 basically called, it is called Phase 2 of the hangar
16 project. Instead of being two separate sites, it is one
17 site. This is an extension of the first site, which
18 they have already received funding.

19 MR. KEHOE: Ask a question? Mike, if they were
20 to build two separate buildings, what would be the
21 difference in tenant rep as opposed to extending it?

22 MR. SWAIN: That's a question I cannot answer.
23 Is, would you, John Lawmaker, with Delta Airport
24 consultant, is their consultant, I imagine it would be
25 substantially a larger amount of funding the building

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1 separate site altogether, would it not?

2 MR. LONGMAKER: It would be, the way the site is
3 laid out. The next building would be the site we are
4 proposing to build on now. The difference is that our
5 building is a long building; and we are able to build
6 four additional units versus having two ten unit
7 buildings, built two separate periods. This is a
8 twenty-four unit building, filling in where the gap
9 would have been four additional units.

10 MR. KEHOE: I understand that, but if you were
11 to build two separate buildings, how much more, or would
12 it be any more for the site prep for the separate
13 building instead of just taking the one going on now?

14 MR. LONGMAKER: The site prep would have been
15 about the same, because it's just an extension of the
16 site further out.

17 MR. KEHOE: Thank you.

18 MS. RADCLIFF: I think probably the concern is
19 it was a separate building in the beginning of it and I
20 guess due to the construction (unable to hear). I would
21 like the folks in Tappahannock to get the sequence
22 before they do, phase work with -- I know the Department
23 has been extremely supportive of the airport and all the
24 projects that have been going on here recently, and it
25 is a little hard for me because I want everything to be

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1 just perfect on this one, but, you know, Essex County --
2 in particular -- is the kind of locality we look for, I
3 think, from a Board perspective. They do have standard
4 to gain, they have been committed to it, they don't have
5 to worry about zoning, and approach and those kind of
6 things from the local government -- It's hard for me to
7 think that we are not going to be able to help them out;
8 but I think I'm going to ask them to see to it -- the
9 talk about the situation you find yourself in right now.
10 Everybody knows what we are talking about.

11 MR. LONGMAKER: First of all, here again it is a
12 lot of money. And we appreciate that. And this
13 airport, you know, we are not going to build any more
14 new airports right away. And this airport is going to
15 be one that Virginia is going to be proud of. It is
16 going to be a star in the system, and we are going to
17 run it that. And when we got in the advertising and
18 taking deposits for teenagers, we got twenty-one
19 deposits, you know, in about three or four weeks. So,
20 we started to build twenty-four hangars, and that's
21 where we are now.

22 My friends over here, I understand what
23 they are talking about, you know, if you know, if you
24 can do multi-year funding, maybe you should put your
25 request in, because we could certainly live with

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1 multi-year funding. If, at the end of the day when it's
2 all over, and you all find some pot of money under your
3 table there, you know, that you know you don't know you
4 got, whatever you can help us with is better than
5 nothing. You understand what I'm saying? If we had
6 known you should, you know, 75 percent. Or whatever you
7 can come up with. I know you have done a lot for us.
8 This is probably the last time we are going to have to
9 come to the Board for a long, long time because we are
10 all brand new, we are going to open on September 8th.
11 They are hooking the fuel system up this week, and we
12 are anxious, we are excited, and we want to get you all
13 down there as soon as you can. However you can help us.
14 You have been a real partner, and we certainly
15 appreciate that. Thank you. I will be glad to answer
16 questions if you got any.

17 MS. RADCLIFF: I just think it's a difficult
18 situation to me, these folks keep on coming, based on
19 aircraft they have, and you know that's something that
20 you would prefer giving and taking -- I understand. I
21 want you guys to make distribution. I thought about
22 coming down here pushing, pulling, tugging, and trying
23 to figure out -- I understand the funding situation for
24 local governments -- I think appreciate the locality of
25 the airport, because we don't always have that. But, I

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1 probably will ask you tomorrow to find a way to try to
2 figure out a way to do this, but I'm not going to bother
3 you with that. I just think we simply ought to -- It
4 was nice to do it. I hate to leave the locality hanging
5 out there, maybe they got a little ahead of themselves,
6 but certainly in the latest I think it is a positive for
7 general aviation. It's hard to argue with people who
8 want to put their money into T-hangars and help out
9 while we are here.

10 MR. KEHOE: Mr. Chairman, I have some, maybe
11 some -- I have some rental property myself, and if you
12 have to -- what's the chance of the airport just
13 getting, financing locally, and running it like rental
14 property, and making, even if they don't make money,
15 they would break even. And you have a building in the
16 end.

17 MR. LONGMAKER: Well, what we did was, we have
18 already stepped up and borrowed a significant amount of
19 money to finish off the terminal building and do other
20 projects that needed to be done. In fact, we just went
21 in and floated a bond for a little over a million
22 dollars to cover the incidentals, and frankly, the
23 County only has ten thousand people in it. They just
24 aren't in position to go back and go after another
25 400,000 right now. We find ourselves in that

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1 predicament. We did do exactly what you are saying. We
2 stepped up and did that.

3 MR. KEHOE: But those things aren't what I call
4 a cash flow items; but this is definitely a cash flow
5 item. It looks like that could get financing very
6 easily.

7 MR. LONGMAKER: Well, the T-hangar parts are.
8 Now, as you know, using the T-hangar money, all the
9 money comes in as a result of debt service anyway.
10 That's already committed to debt service of over a
11 million dollars.

12 MR. KEHOE: I'm sorry to hear that. Yes, but
13 your additional ones aren't committed. Correct?

14 MR. LONGMAKER: We did consider the twenty-four
15 units when we started putting that debt service
16 together; they are committed. Yes, sir. What we are
17 going to end up doing is, if we are not in position
18 being able to build, build out, we are going to go back
19 and redo the whole debt service.

20 MR. KEHOE: I have an employee that handles the
21 finances that way. It's a real problem for you.

22 MR. LONGMAKER: It's a problem, no question. We
23 kind of got caught up in this one, and it just happened.

24 MR. KEHOE: Well I get in, want to see you have
25 a skeletal airport entire scheme. Try to come up with

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1 another way to skin the cat.

2 MR. LONGMAKER: I know. We have been trying to
3 skin that rascal, too.

4 MR. DIX: So the way it stands now, you are
5 building twelve T-hangars. Is that right?

6 MR. LONGMAKER: No. No. Twenty-four.

7 MR. DIX: No. You are building the twenty-four
8 before this project, which is funded?

9 MR. SWAIN: You have an allocation for ten.
10 Right?

11 MR. LONGMAKER: Correct.

12 MR. SWAIN: You have an allocation for site work
13 for ten units, and that's from the building standpoint,
14 because the deposits on, that were received, they went
15 ahead and moved forward on the building portion, only,
16 for the twenty-four units. With extension of the site
17 work. Once the twenty-four units were up money-wise
18 almost at the same time.

19 MR. DIX: So that part of that million dollars
20 they are talking about to pay for the building of the
21 T-hangars building.

22 MR. LONGMAKER: Talking over top of each other.
23 Two million.

24 MR. SWAIN: That's it for Region 4. Region 5
25 next. First Airport, Region 5, Brookneal/Campbell

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1 County. Requesting funding for an Apron and Taxiway
2 Rehabilitation Design. \$1,857.09. The staff recommends
3 funding this project.

4 Next is Danville Regional. First
5 request is for Runway 220 Rehabilitation Design.
6 \$9,782.00. And request for Runway Protection Zone Land
7 Acquisition Increase, \$29,921.00. On the Runway 220
8 Rehabilitation project, the staff recommends not funding
9 this project as the airport has unmitigated FAR Part 77
10 obstruction. On the Runway Protection Zone Land
11 Acquisition project, the staff recommends funding this
12 project. The project is part of an overall obstruction
13 removal process. And this increase is as a result of
14 FAA programming additional funds for this project.

15 Next is William M. Tuck. Three
16 requests. First is Access Road and Parking Lot Design
17 Construction. \$200,000. Second we have Fueling System
18 Apron Construction. \$3,157.89. And Fueling System
19 Relocation and Jet A Tank Construction. \$66,068.44. On
20 Access Road and Parking Lot project, the staff
21 recommends not funding this project, as the airport has
22 unmitigated FAR Part 77 obstruction. Fueling System
23 Apron, the staff recommends not funding due to
24 obstructions. And on the Fueling System Relocation and
25 Jet A Tank, the staff recommends not funding this

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1 project due to obstruction.

2

3 MR. KEHOE: Are they doing anything to mitigate
4 the obstruction?

5 MR. SWAIN: Yes, sir. They have an ongoing
6 project to remove trees in the transitional area as well
7 as to wide the road that goes across pretty much
8 perpendicular to the approach. They informed us that
9 that project, in a previous letter some months ago, that
10 project should be closed down around July of this year,
11 but we have not heard that it is completed. It is our
12 understanding that it has not been completed. As well
13 as they have obstruction to their turf crosswind runway.
14 They have issues with that where, based on federal
15 standards, it is going to be really hard to meet
16 construction criteria, and they have to do something
17 special there.

18 And that's it for Region 5.

19 Region 7 is our outstanding region for
20 today.

21 MR. OBERNDORF: Let's go through it.

22 MR. SWAIN: On Page 170. The first request
23 comes from Accomack County. Three projects.
24 Environmental Assessment for Future Development.
25 \$3,150.00. Spill Prevention Control and Countermeasure

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1 Plan. \$3,979.60. And T-Hangar Site Preparation and
2 Taxiway Design. \$30,185.60. On the Environmental
3 Assessment Project, the staff recommends funding this
4 project. The SPCC plan, the staff recommends funding
5 this pboject. And on the T-hangar Site Preparation and
6 Taxiway Design. The staff recommends not funding this
7 project due to insufficient CAF funds based on priority.

8 Next is Chesapeake Regional. Three
9 requests. First is Obstruction Removal, Wetlands
10 Delination and Cultural Resources Survey/Form C
11 Environmental Assessment. Request is for \$9,473.68.
12 Second we have Terminal Area Site Preparation
13 Construction. Requesting \$314,272.48. And third we
14 have Terminal Building Expansion Construction.
15 \$276,662.74. On the Obstruction Removal project, the
16 staff recommends funding this project. On the Terminal
17 Area Site Preparation, the staff recommends funding this
18 project. And the Terminal Building Expansion, the staff
19 recommends funding this project.

20 Next, Hampton Roads Executive Airport.
21 Three requests. The first request is for Auto Parking
22 Design. In the amount of \$52,000. Second we have
23 Terminal Building Design. \$121,500. And third,
24 Wetlands Mitigation for Runway, for Replacement Runway,
25 Phase 1, \$122,666.08. For all three of these projects,

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1 the staff recommendation when the Board Package was
2 prepared was to not fund any of them, as the airport had
3 unmitigated FAR Part 77 obstructions. On August 16th,
4 we were advised that the airport sponsored and cancelled
5 the instrument flight procedures affecting runways, or
6 runway tentuate resurfacing approach, later it was
7 actually it was runway 28, they had construction. In
8 essence, by cancelling those instrument flight
9 procedures, they mitigated the obstruction situation,
10 because it was based on FAA runway sighting criteria
11 based on the type of instrument approach. So as of
12 today, the airport has mitigated the obstruction. And
13 there is sufficient funding in the Air Care Reliever
14 Fund to fund these projects if the Board wishes. By
15 cancelling the approach they have been mitigated. They
16 have been removed.

17 NOTE: Board members speak but unable to hear
18 and understand)

19 MR. SWAIN: Airport sponsor care. I can't
20 answer that directly to what their immediate plans are.

21 MR. FOX: I'm Steve Fox, Hampton Roads
22 Executive. Just walked in, I'm not sure of the
23 question.

24 NOTE: Unable to hear Ms. Radcliff's remarks.

25 MR. FOX: Under the proper procedures and

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1 regulations, yes. Actually we have had some discussions
2 today with the FAA to initiate a land easement and land
3 acquisition project; not only for this one approach,
4 which is the culprit, but all four approaches, all four
5 entrances for that matter, with a phasing plan to
6 initially solve 102A which is the main runway, the
7 larger of the two runways. Then the second phase would
8 be the shorter of the two runways 220. The only reason
9 it is not is because we didn't find out about this, you
10 know, it just came about in just the last two or three
11 weeks. So, but we are moving forward to the initial
12 solution was to cancel the approach, and then obviously
13 the long term solution is to put a pipe land in the east
14 end in that position to take care of the problem.

15 BOARD MEMBER: Steve, orders have gone out to
16 cancel the approach at this time?

17 MR. FOX: Yes. And confirmed with the FAA.

18 BOARD MEMBER: Do you have a time line that you
19 were able to work out with the FAA in this case?

20 MR. FOX: I'm sorry?

21 BOARD MEMBER: Do you have a time line or
22 anything you were able to work out with the FAA as part
23 of the various phases at this time?

24 MR. FOX: Subject to funding and there's, the
25 one obstruction may very well sit on just one owner's

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1 property, and it may be just an issue of dealing with
2 that one particular owner and getting approval to either
3 cut or purchase an area easement or land acquisition.
4 Obviously, that would be the initial goal. And so it
5 could be fairly quick, particularly if it's confined to
6 just one area. We don't actually know that yet. As it
7 relates to the larger issue, because obviously we had
8 some obstruction issues last year that were solved, and
9 we have had them, and now they have come back up this
10 year. As it relates to the macro-obstruction solution
11 that we discussed, with Wayne, with the FAA, and Wayne
12 Switzer with the FAA, and actually I have already talked
13 to a consultant here today to begin. That would be
14 probably a multi-year process, because there is probably
15 fifteen or twenty owners around the airport. This was
16 just never done with the previous owners of the
17 airport. Obviously we just purchased it in 2000 and
18 have done what we can over the last seven years. So I
19 would envision that probably over a span of two or three
20 years, with maybe some multiple-year funding that we
21 will solve the obstruction issue surrounding Hampton
22 Roads Executive once and for all through the proper way
23 with land acquisition and the easement acquisition.

24 I offer this as a reminder, last year
25 as relates to any on site obstruction, we immediately

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1 corrected those, you know, did it the right way. There
2 are no on site obstruction issues. None. At Hampton
3 Roads Executive. So these are obviously now off-site,
4 take a little longer, little bit, you know, have to deal
5 with, you know, third part party owners and so forth.
6 So a little bit more complicated.

7 BOARD MEMBER: Mr. Chairman, that takes care of
8 everything.

9 MR. SWAIN: No, we have a few more.

10 NOTE: Board members have a discussion amongst
11 themselves. Talking over each other. Unable to
12 understand.

13 BOARD MEMBER: Is that it on Hampton Roads?

14 MR. SWAIN: Next case, James City County.
15 Proposed. This is not a real airport yet. The request
16 is for airport feasibility Study, Phase 1. This is a
17 federally funded project. The sponsors are requesting
18 \$4,957.17. This is a study to study the feasibility of
19 an airport within James City County. And the staff
20 recommends funding this project.

21 Next we have Suffolk Executive. Three
22 requests. First is for Drainage Rehabilitation Design.
23 \$1,895.00. Next is the Land Acquisition Runway
24 Protection Zone, Phase 2. \$8,011. Third, we have Land
25 Acquisition Services for Runway Protection Zone, Phase

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1 2. \$3,440.85. On the Drainage Rehab Degisn, the
2 recommends funding the project. Land Acquisition RPZ,
3 staff recommends funding this project. Land Acquisition
4 Services RPZ, staff recommends funding this project.

5 Next is Tangier Island. One request
6 for Runway Taxiway and Apron Rehabilitation Construction
7 \$96,000. And the staff recommends funding this project.
8 And that's the last one in Region 7.

9 And that's all that was on the agenda
10 for today.

11 BOARD MEMBER: I have a question. Tangier
12 Island, I have not been in there, but I have been
13 reading stories about moving the shore line and what
14 have you. Is this any threat to the airport?

15 MR. SWAIN: Actually, though, the Corps of
16 Engineers built a seawall back in the early '90s, late
17 '80s or early '90s, \$4,000,000 plus. They did a lot to
18 protect the runway. They have lost about six hundred
19 feet of the original runway on the south end, which kind
20 of lead to the seawall construction to help --

21 MR. OBERNDORF: They also had a construction to
22 cut the end of the length of the runway down. It
23 probably, the runway itself needs rehabilitation. Very
24 poor shape. It has got a bump at one end that is pretty
25 significant if you don't know it's there.

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1 NOTE: Board members talk amongst themselves.
2 Cannot understand.

3 BOARD MEMBER: We have been doing some
4 aggressive discussions with the County. And VDOT has
5 got the ability to help us. Fortunately they are
6 planning to go over and repave their streets. We might
7 have use of a portable potable asphalt plant. And if
8 the locality can raise their part of the funding, we can
9 go ahead and rehabilitate the airport.

10 There is a lot of interest in this
11 because they are builing a new medical facility on the
12 island; and they would like to be able to provide some
13 substantial aircraft in there for medivac purposes,
14 which they can't do right now.

15 The governor himself has an interest in
16 this, supporting this medical facility. We had a
17 meeting, it was on the 31st of July. 31st of July with
18 all the parties, and the town is trying to raise their
19 portion of the project.

20 MR. SWAIN: Cliff raises a good point. This
21 amount is based on estimate. FAA has programmed the
22 funds for fiscal year '08? I don't know if Wayne can
23 give us an update on that or not.

24 WAYNE: They programmed a smaller amount for
25 fiscal year '08. Again it is an estimate, and we are

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1 not sure that we would be able to program as much as two
2 million dollars; then again, we always do what Congress
3 tell us to do, and there is considerable Congressional
4 interest. I don't know if Mr. Switzer --

5 MR. SWITZER: We have a fund program, and we
6 have a major project that could come in with higher
7 funding. The amount is estimated at this time.

8 MR. SWAIN: Sorry, Cary, you were so quiet over
9 there, I looked up and I thought we were --

10 CARY: Wayne forgot to mention Congressional
11 interest. The Congressman has approached me and he did
12 have a representative at the meeting.

13 MR. SWAIN: Tomorrow we are scheduled to hear
14 Region 3, 2 and 1 in that order.

15 MR. OBERNDORF: Any other comments from the
16 Board. That's it. Thank you.

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